

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Performance of Philippine Agriculture in 4th Quarter 2019

**Country:** Philippines

**Post:** Manila

**Report Category:** Agricultural Situation

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**Report Highlights:**

Although performing marginally better than 2018, Philippine agriculture in 2019 continued to be a drag on an otherwise robust economy. In the last quarter of 2019, agricultural production grew just 0.4 percent, bringing the full-year average to 0.7 percent. Crop production expanded 1.0 percent during the final quarter of 2019 with paddy rice growing 4.7 percent and corn declining 8.2 percent. During the same period, livestock decreased by 8.5 percent, primarily from African Swine Fever driving hog production down by 9.8 percent. On the other hand, poultry production grew by 5.4 percent in the last quarter, as consumers swapped pork for chicken. For the entire 2019, the crops and livestock subsectors contracted 0.8 percent and 1.0 percent, respectively, while poultry gained 5.8 percent and fisheries added 1.9 percent.

## Marginal Gains in Agriculture in Sharp Contrast to Robust Overall Philippine Economy

According to the Philippine Statistics Authority (PSA), the value of local agricultural production grew 0.4 percent in the 4<sup>th</sup> quarter of 2019, lower than the 1.9 percent growth during the same period in 2018. The last quarter performance brought the full-year average to 0.7 percent, slightly higher than the 0.6 percent growth in 2018 but lower than the targeted 2 percent growth rate for the entire 2019. Philippine agriculture's flat production lags significantly behind the broader economy's 5.9 percent growth in 2019, which itself was an eight-year low.

Agriculture Secretary Dr. William Dar attributed the lower than expected performance in the last quarter of 2019 to African Swine Fever (ASF), compounded by the strong typhoons during the period. Prior to ASF being confirmed in the Philippines in September 2019, pork and poultry production were the bright spots in a persistently slow-growing agriculture sector. ASF continued to spread through Luzon during this period, and hog farmers' challenges were further compounded by restricted movement across provinces of hogs, pork and pork products, and feed. The livestock sector declined 8.5 percent, as hog production drove the decline with a 9.8 percent drop during the last quarter of 2019. The livestock sector declined 1.0 percent for the entire year, reflecting the same decline in hog production. For more information on ASF and its effect on the swine industry, see Post's [latest Grain and Feed report](#).

In sharp contrast to pork, poultry production grew by 5.4 percent in the last quarter of 2019, with chicken output increasing 4.1 percent. From 2018 to 2019, Philippine poultry production surged 5.8 percent, with chicken increasing by 4.9 percent. All poultry components, except ducks, posted positive gains in 2019, both as a continuation of a longer growth trend and a result of consumers looking for non-pork sources of protein. Note, however, that ASF does not pose a risk to human health.

Crop production expanded 1.0 percent during the last quarter, with paddy rice's 4.7 percent growth offsetting the 8.2 percent decline in corn. An unusual number of late-season typhoons hit the Philippines during this period, including Typhoons Kammuri, Quiel, Ramon, and Ursula. Over the entire 2019, the crop sector declined 0.8 percent, with rice contracting 1.3 percent and corn gaining 2.7 percent. This year also saw the passage of the Rice Tariffication Law, which opened the Philippine market to imports, notably from its ASEAN neighbors and pushed farm gate prices lower. For more information, see Post's reports on the [Rice Tariffication Law](#) and the [implementing rules and regulations](#).

Fisheries production increased by 3.4 percent in the fourth quarter of 2019 and 1.9 percent during the entire year, continuing the Philippines' growing demand for protein.

Average farm gate prices in the last quarter of 2019 declined 5.7 percent. Prices were down 5.0 percent for the entire year.

The "Performance of Philippine Agriculture, Fourth Quarter 2019" is available here: <https://psa.gov.ph/content/performance-philippine-agriculture-fourth-quarter-2019>.

**Attachments:**

No Attachments.